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DORGAN URGES FINANCIAL STABILITY OVERSIGHT COUNCIL TO IMPLEMENT STRONGEST POSSIBLE “VOLCKER RULE”

Senator says ban on proprietary trading must be enforced to protect the American people from Wall Street interests

(WASHINGTON, DC) – U.S. Senator Byron Dorgan (D-ND) has written the Financial Stability Oversight Council urging its members to stay true to the Congressional intent of the “Volcker Rule” and implement a broad ban on proprietary trading.

The “Volcker Rule” is a crucial piece of the Wall Street Reform and Consumer Protection Act passed by Congress and signed into law. Named after the former Fed chairman, the provision contains a broad prohibition on proprietary trading at federally-insured banking institutions.

Dorgan says that if properly enforced, the “Volcker Rule” will protect American taxpayers from risky trading by some of the nation’s largest financial firms who have already taken advantage of the system, contributing to this country’s near financial collapse.

“The American people have every right to expect that banks that have taxpayer-backed deposit insurance are not gambling with their money on risky and speculative derivatives trading. Strong regulatory enforcement is one way to ensure that this severe risk to the U.S. economy is reduced,” Dorgan writes in his letter to the Council.

Dorgan urges the Council to reject the efforts by Wall Street interests and Republican Congressmen like House Financial Services Committee Ranking Member Spencer Bachus to weaken the implementation rules and regulations of the Volcker Rule.

“In order to protect American taxpayers and stay true to the law’s intent, it is essential that the Financial Stability Oversight Council oppose the push by some for a watered-down ban on proprietary trading,” Dorgan said. “Enforcing strong regulation of the Volcker Rule will be a cornerstone of effective implementation of the Wall Street Reform and Consumer Protection Act.”

Senators Ted Kaufman (D-DE) and Sherrod Brown (D-OH) also signed the letter sent to the Council on Friday.

See attachment for the letter to the Financial Stability Oversight Council.

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